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Poland

Grain and Feed

Drought Reduces Grain Crop

2003

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Report Highlights:

High temperatures in July and a lack of precipitation reduced prospects for Poland's grain crop in 2003. Expected low quality and small crop will result in increased wheat imports. Poor grain expectations in neighboring countries increase fears for increased grain and food prices.

Includes PSD changes: Yes
Includes Trade Matrix: No
Unscheduled Report
Warsaw [PL1], PL

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Executive Summary

As was reported in the Grain Annual (PL3013, dated 04/30/2003) this year's crop was effected by poor sowing conditions last fall, which reduced winter grain planting, severe winter conditions (3.4 percent of winter grains were killed) and a very late spring. Later in spring, weather conditions accelerated growth and reduced crop delays, which improved crop prospects in many regions of Poland, although some regions were suffering from small water supplies. High temperatures in July with almost no rain caused severe drought conditions in many parts of the country and reduced crops significantly. The most effected areas by July were in the western provinces of Poland and Lodz (in central Poland). In many regions of these provinces a "crop disaster condition" was declared and farmers are eligible for special assistance programs. Most crops are expected to yield significantly less than usual. According various reports, the 2003 grain crop was expected to be reduced by as much 3 million tons (MMT) from last year. Such pessimistic projections, however had not been confirmed by major officials and economists. On July 29, 2003, the Main Statistical Office (GUS) published its first crop prognosis for 2003 in Poland. According to the GUS estimates, the 2003 crop of basic grains (including mixed grains) will be 21.7-22.7 MMT, 9 to 13 percent below last year's crop. Basic grains including mixed grains represent about 92% of the total grain crop. Corn production which should be up this year is not included in that category. According the GUS, the winter wheat crop is forecasted to be down 14 to 18 percent and spring wheat 5 to 12 percent down from last year.

In light of the above mentioned information, FAS/Warsaw has reduced its previous estimate (PL3013) of Poland's total grain crop for 2003 by 5 percent. The new total grain output is estimated at 24.2 MMT, 10 percent less than the 2002 output, of which the wheat crop is estimated at 8 MMT, 14 percent below the 2002 level. The reduced crop will result in increased grain imports. The most pessimistic comments often raised by the media are that the current reduced grain production and low domestic stocks will result in 2-3 MMT grain imports. Such high import needs will result in very high grain and food prices on the market particularly considering very small prospects for imports from neighboring countries which will have lower grain crops this year. There is no consensus of opinions confirming such high import needs nor fear of very high prices. Current grain market prices have been stable since early June and will most likely be reduced during the harvest. According to analysts, reduced swine inventories and reduced demand for feed grains in MY 2003/04 will produce stable conditions until early 2004. Estimated feed grain consumption will be 1.4 MMT lower than last year. After Poland joins the EU (May 2004) market shortages will be reduced by imports from other EU countries. This year's grain quality is reported to be lower than last year's unusually high quality, which will result in higher demand for imported wheat. To better control the grain market situation, the Government of Poland (GOP) has announced that a policy instituting grain export fees similar to these assessed in the EU will be introduced in Poland this year. This would practically eliminate future exports.

FAS/Warsaw estimates total MY 2003/04 grain imports at 1.5 MMT (0.7 MMT more than in PL 3013), of which

wheat will be one million tons. Reduced supplies in nearby countries, may result in larger imports from American or Australian sources but the prevailing policy which places a zero tolerance for ambrosia (ragweed) will not allow for significant imports from the US.

The following table summarizes the current total grain situation in Poland (000 hectares/000 metric tons):

	MY 2001/02	MY 2002/03	MY 2003/04		MY 2001/02	MY 2002/03	MY 2003/04
Area Harv.	8,819	8,294	8,398	MY Export	44	1,024	4
Beg. Stocks	2,190	3,571	2,208	Feed Use	16,518	17,966	16,546
Produc- tion	26,960	26,841	24,160	Tot.Dom Consum.	26,126	27,471	25,966
MY Import	591	291	1,460	Ending Stocks	3,571	2,208	1,858
Tot. Supply	29,741	30,703	27,828	Total Distr.	29,741	30,703	27,828

Grain stocks are expected to decline further in MY 2003/04 reflecting a reduced crop and limitations on imports.

In the following PS&D tables, MY 2003/04 grain area and production figures were adjusted based on GUS estimates. MY 2002/03 trade has been revised based on the most current information from a variety of industry and press sources. Small revisions were also made in the MY 2001/02 PS&Ds mainly in grain use and stocks to be consistent with official estimates.

Wheat PS&D Table:

PSD Table						
Country	Poland					
Commodity	Wheat				(1000 HA)(1000 MT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		07/2001		07/2002		07/2003
Area Harvested	2627	2627	2422	2422	2300	2449
Beginning Stocks	1150	1094	1100	1350	750	667
Production	9283	9283	9300	9297	8500	8000
TOTAL Mkt. Yr. Imports	281	310	150	120	500	1000
Jul-Jun Imports	281	310	150	120	500	1000
Jul-Jun Import U.S.	0	0	0	3	0	5
TOTAL SUPPLY	10714	10687	10550	10767	9750	9667
TOTAL Mkt. Yr. Exports	41	39	600	1000	100	0
Jul-Jun Exports	41	39	600	1000	100	0
Feed Dom. Consumption	4100	3700	3650	3600	3500	3500
TOTAL Dom. Consumption	9573	9298	9200	9100	9250	9000
Ending Stocks	1100	1350	750	667	400	667
TOTAL DISTRIBUTION	10714	10687	10550	10767	9750	9667

Barley PS&D Table:

PSD Table						
Country	Poland					
Commodity	Barley				(1000 HA)(1000 MT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		07/2001		07/2002		07/2003
Area Harvested	1071	1071	1069	1059	1100	1080
Beginning Stocks	119	195	181	348	181	292
Production	3330	3330	3400	3369	3400	3100
TOTAL Mkt. Yr. Imports	132	131	100	150	100	250
Oct-Sep Imports	143	167	100	150	100	250
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	3581	3656	3681	3867	3681	3642
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0
Oct-Sep Exports	0	0	0	0	0	0
Feed Dom. Consumption	2700	2600	2800	2850	2700	2700
TOTAL Dom. Consumption	3400	3308	3500	3575	3400	3430
Ending Stocks	181	348	181	292	281	212
TOTAL DISTRIBUTION	3581	3656	3681	3867	3681	3642

Rye PS&D Table:

PSD Table						
Country	Poland					
Commodity	Rye				(1000 HA)(1000 MT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		07/2001		07/2002		07/2003
Area Harvested	2002	2002	1648	1585	1600	1623
Beginning Stocks	384	384	481	542	355	270
Production	4863	4863	3800	3822	3600	3400
TOTAL Mkt. Yr. Imports	23	25	25	6	100	200
Oct-Sep Imports	25	19	25	6	100	200
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	5270	5272	4306	4370	4055	3870
TOTAL Mkt. Yr. Exports	1	0	1	0	5	0
Oct-Sep Exports	1	1	1	0	5	0
Feed Dom. Consumption	2520	2600	1850	2000	1800	1700
TOTAL Dom. Consumption	4788	4730	3950	4100	3800	3700
Ending Stocks	481	542	355	270	250	170
TOTAL DISTRIBUTION	5270	5272	4306	4370	4055	3870

Oats PS&D Table:

PSD Table						
Country	Poland					
Commodity	Oats				(1000 HA)(1000 MT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		07/2001		07/2002		07/2003
Area Harvested	531	531	486	591	600	550
Beginning Stocks	46	50	99	73	74	53
Production	1305	1305	1500	1480	1400	1350
TOTAL Mkt. Yr. Imports	0	0	0	0	0	0
Oct-Sep Imports	0	0	0	0	0	0
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	1351	1355	1599	1553	1474	1403
TOTAL Mkt. Yr. Exports	2	2	20	20	20	0
Oct-Sep Exports	3	3	20	20	20	0
Feed Dom. Consumption	975	1000	1230	1200	1125	1070
TOTAL Dom. Consumption	1250	1280	1505	1480	1400	1350
Ending Stocks	99	73	74	53	54	53
TOTAL DISTRIBUTION	1351	1355	1599	1553	1474	1403

Mixed Grain PS&D table:

PSD Table						
Country	Poland					
Commodity	Mixed Grain				(1000 HA)(1000 MT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		07/2001		07/2002		07/2003
Area Harvested	2309	2309	2288	2287	2300	2301
Beginning Stocks	300	176	986	795	586	458
Production	6758	6758	6600	6863	6500	6150
TOTAL Mkt. Yr. Imports	0	0	0	0	0	0
Oct-Sep Imports	0	0	0	0	0	0
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	7058	6934	7586	7658	7086	6608
TOTAL Mkt. Yr. Exports	0	0	0	0	0	0
Oct-Sep Exports	0	0	0	0	0	0
Feed Dom. Consumption	5350	5400	6250	6450	6050	5550
TOTAL Dom. Consumption	6072	6139	7000	7200	6800	6300
Ending Stocks	986	795	586	458	286	308
TOTAL DISTRIBUTION	7058	6934	7586	7658	7086	6608

Note: this table summarizes data for mixed grains and triticale.